V.—GOVERNMENT MOTION.

AMENDMENT TO SCHEDULE IV TO THE MADRAS CITY MUNICIPAL ACT, 1919.

* THE HON. SRI K. CHANDRAMOULI :—" Sir, I beg to move—

' *That the following draft of a rule proposed to be made by His Excellency the Governor of Madras in exercise of the powers conferred by section 347 of the Madras City Municipal Act, 1919 (Madras Act IV of 1919), altering Schedule IV to that Act be approved :—*

Draft rule.

In the said Schedule, for rule 8, the following rule shall be substituted, namely :—

" 8. *Persons shall be assessed by the Commissioner to the profession tax under the following classes on a scale to be determined by the council from time to time :—*

Provided that such scale shall be subject to the maximum specified against each class :

Provided also that the proportion which the tax on any class bears to the minimum income of that class shall in no case be smaller than the proportion which the tax on any lower class bears to the minimum income of such lower class :—

Class.	*Half-yearly income.*	*Maximum half-yearly tax.* RS.	A.	P.
I	*More than Rs.* 15,000	125	0	0
II	*More than Rs.* 12,000 *but not more than Rs.* 15,000.	100	0	0
III	*More than Rs.* 9,000 *but not more than Rs.* 12,000.	75	0	0
IV	*More than Rs.* 6,000 *but not more than Rs.* 9,000.	50	0	0
V	*More than Rs.* 4,800 *but not more than Rs.* 6,000.	37	8	0
VI	*More than Rs.* 3,000 *but not more than Rs.* 4 800.	18	0	0
VII	*More than Rs.* 1,800 *but not more than Rs.* 3,000.	9	0	0
VIII	*More than Rs.* 1,200 *but not more than Rs.* 1,800.	6	0	0
IX	*More than Rs.* 600 *but not more than Rs.* 1,200.	3	0	0" '

" Sir, under the Profession Tax Limitation Act, 1941, passed by the Central Government, the maximum rate of profession tax leviable by local bodies was fixed at Rs. 50 per person per annum. On the basis of the maximum rate of tax so fixed, assessees have

been classified and half-yearly rates of the tax leviable have been prescribed in rule 8 of Schedule IV to the Madras City Municipal Act, 1919.

" Prior to 1st April 1942, the maximum profession tax leviable per person per annum was Rs. 1,000 in Madras City. The Constitution of India provides for the levy of profession tax at a maximum rate of Rs. 250 per person per annum. Consequent on the increase in the maximum rate from Rs. 50 to Rs. 250 per annum, it has been proposed to revise the existing classification of assessees and the rates of maximum half-yearly tax leviable on each class. A draft of the proposed rule was duly published in the *Fort St. George Gazette* for general information and communicated to the Corporation of Madras for its opinion.

" The Corporation of Madras suggested certain revised rates which were higher than those proposed by Government. In consultation with the Mayor and the Commissioner and after considering the suggestions received in this regard, the rates have been revised. The revised rates of profession tax which I am now proposing for adoption are slightly lower than those suggested by the Corporation, but in respect of some classes higher than the rates proposed for mufassal municipalities and local bodies. I request the House to accept the motion."

3-30 p.m. MR. CHAIRMAN :—" Motion moved—

' That the following draft of a rule proposed to be made by His Excellency the Governor of Madras in exercise of the powers conferred by section 347 of the Madras City Municipal Act, 1919 (Madras Act IV of 1919), altering Schedule IV to that Act be approved :—

DRAFT RULE.

In the said Schedule, for rule 8, the following rule shall be substituted, namely :—

" 8. Persons shall be assessed by the commissioner to the profession tax under the following classes on a scale to be determined by the council from time to time :—

Provided that such scale shall be subject to the maximum specified against each class :

Provided also that the proportion which the tax on any class bears to the minimum income of that class shall in no case be smaller than the proportion which the tax on any lower class bears to the minimum income of such lower class :—

Class.	Half-yearly income.	Maximum half-yearly tax. RS.	A.	P.
I	More than Rs 15,000	125	0	0
II	More than Rs. 12,000 but not more than Rs. 15,000.	100	0	0

4th April 1950] [Mr. Chairman]

Class.	Half-yearly income.	Maximum half-yearly tax. RS.	A.	P.
III	More than Rs. 9,000 but not more than Rs. 12,000.	75	0	0
IV	More than Rs. 6,000 but not more than Rs. 9,000.	50	0	0
V	More than Rs 4,800 but not more than Rs. 6,000.	37	8	0
VI	ore than Rs. 3,000 but not more than Rs. 4,800.	18	0	0
VII	More than Rs. 1,800 but not more than Rs. 3,000.	9	0	0
VIII	More than Rs. 1,200 but not more than Rs. 1,800.	6	0	0
IX	More than Rs. 600 but not more than Rs. 1,200.	3	0	0"'"

* DR. V. K. JOHN :—" Sir, I give my support to this resolution. It is a very equitable measure; but I wish the Government had accepted the recommendations of the Corporation and provided for a higher rate of taxation. Of course they could not go over the limit fixed by the Constitution. The measure is also welcome from the point of view of casting the burden on those who can afford to bear it. I think every taxation measure should be such that those who can afford to pay should be taxed more and I am glad that in this rule the maximum rate is fixed for those who can afford to pay, i.e., that those who get more than Rs. 15,000 income should pay Rs. 125. I strongly welcome this measure, although I regret the Government could not accept the recommendations of the Corporation fully. The Corporation wants a lot of money for providing various amenities which the Government ought to be responsible for. I am glad the Government have at least come forward with this measure. The other day the Corporation recommended that it might be allowed to discharge debts at 7 and 7½ per cent rates of interest—usurious rates of interest—when they have the money; but the Government would not allow that to be done and the Corporation, I am told, is losing Rs. 24 lakhs on this account. Now, I am glad the Government have shown this small mercy by allowing the Corporation to collect from those who can afford to pay, a small profession tax which for many years had been kept at a very low level by a measure of taxation by the Centre. Sir, I welcome this measure."

The motion was put and carried.

MR. CHAIRMAN :—" The House will now stand adjourned *sine die.*"